

1997 COURSE CATALOGUE

FFIEC EXAMINER EDUCATION



FEDERAL FINANCIAL INSTITUTION REGULATORY AGENCIES

INTRODUCTION

This catalogue now contains brief descriptions of the examiner training programs offered by the FFIEC and the five federal financial institution regulatory agencies which comprise it.

The first section presents detailed information about FFIEC programs. The second section presents summary information about the FFIEC member-agency training programs available to other agencies.

The FFIEC and Council-member agency training calendars are planned in response to the requests received, and limited capacity exists to accommodate additional training

requests received during the training year. The FFIEC and each of its member agencies plans an annual training calendar in the summer to determine the type and frequency of courses to be made available during the following year. State regulatory agencies are encouraged to forward estimates of their training needs in the spring and summer for the upcoming year.

Each federal financial regulatory agency has summarized its registration policy and tuition rates and has specified its policies on sponsorship and other financial assistance to state regulatory agencies. To obtain more detailed information about the courses described in this catalogue, please contact the sponsoring agency.

TABLE OF CONTENTS

<i>Letter from the Manager</i>	<i>5</i>
<i>General Information.....</i>	<i>6</i>
<i>Basic International Banking Self-Study</i>	<i>1</i>
<i>Conducting Meetings with Management</i>	<i>2</i>
<i>INFORMATION SYSTEMS SYMPOSIUM*</i>	<i>4</i>
<i>Instructor Training</i>	<i>6</i>
<i>International Banking School.....</i>	<i>9</i>
<i>Management Workshop</i>	<i>11</i>
<i>Testifying</i>	<i>13</i>
<i>Capital Markets</i>	<i>15</i>
<i>Consumer Compliance</i>	<i>16</i>
<i>Cyberbanking - Regulatory Implications.....</i>	<i>17</i>
<i>Emerging Issues</i>	<i>18</i>
<i>Emerging Issues</i>	<i>19</i>
<i>Executive Forum</i>	<i>20</i>
<i>Information Systems and Technology</i>	<i>21</i>
<i>International Banking Conference</i>	<i>22</i>
<i>Payment Systems Risk</i>	<i>23</i>
<i>Real Estate Lending.....</i>	<i>24</i>
<i>Risk Management Planning.....</i>	<i>25</i>
<i>White Collar Crime</i>	<i>27</i>
<i>Federal Deposit Insurance Corporation</i>	<i>35</i>
<i>Federal Reserve System</i>	<i>38</i>
<i>National Credit Union Administration</i>	<i>43</i>
<i>Office of the Comptroller of the Currency</i>	<i>53</i>
<i>Office of Thrift Supervision</i>	<i>56</i>

LETTER FROM THE MANAGER

The Federal Financial Institutions Examination Council was established pursuant to title X of Public Law 95-630, the Financial Institutions Regulatory and Interest Rate Control Act of 1978 (FIRA). The purpose of title X was to create an interagency body empowered to “prescribe uniform principles and standards for the federal examination of financial institutions. . . and make recommendations to promote uniformity in the supervision of these financial institutions.” As a part of its mandate, the Council conducts training programs for federal and state examiners. The goals of the training program are—

- to foster uniformity of examiner education through joint sponsorship of interagency training;
- to develop and offer high-quality courses, seminars, and conferences that meet the needs of financial institution examiners;
- to provide training opportunities for state and foreign financial institution supervisory agencies; and
- to promote training efficiency by eliminating duplication where agencies’ training needs coincide.

Since its inception in 1979, the Council has provided training for over 50,000 participants. All programs are offered under the auspices of

the Task Force on Examiner Education, whose principal members are the examiner training directors of the five Council-member agencies. Programs are expressly designed to meet the needs of examiners.

Many instructors are selected from staffs of the Council-member agencies, the states, and other participating agencies. The Council also draws upon the private sector in seeking instructors with specialized knowledge and an “outsider’s” view of regulatory or banking topics.

Seminars in Risk Management Planning have been offered to bankers since 1990. These conferences are now open to senior examiners.

We are always eager to receive comments and suggestions. The sooner we hear about needed improvements the better.

I sincerely hope each of these training vehicles will provide a stimulating opportunity to gain and share knowledge. Participating in a good training program is far less expensive than learning in “the school of hard knocks.”

John P. Newton
Manager, Examiner Education
May 1, 1996

GENERAL INFORMATION

Who May Attend?

Programs are open to the staffs of federal, state, and foreign financial institution regulatory agencies. Staff members from other regulatory agencies will be accommodated if space is available. One program, *Risk Management Planning*, is open to bankers and senior examiners.

Registration

Council-member agency staff register through their agency's training headquarters. State financial institution regulatory staff should attempt to register through a Council-member agency (some provide partial financial sponsorship) or through their association of state regulators. State bank examiners may also register directly with the FFIEC. Foreign participants should register through a U.S. federal agency but may register directly with the FFIEC.

It is suggested that state agencies submit their training requests during the spring and summer for the following calendar year. This will be helpful in planning the number of sessions for each program. Otherwise, availability may be limited.

Tuition

Council-member agencies support this inter-agency school by means of annual assessments based on enrollment. State financial institution regulatory agencies' rates are based on member agency costs. Tuition for other agencies for 1997 will be \$350 for courses and \$450 for conferences. Tuition for the *Risk Management Planning* seminar will be \$350 for all attendees. The 1997 enrollment commitments of Council-member agencies must be honored under the FFIEC tuition agreement. Rules about enrollment commitments for state banking

departments, if sponsored by a federal agency, should be clarified with the registering federal agency.

Training Facility

The FFIEC leases offices and classrooms from the FDIC at the L. William Seidman Center, 3501 Fairfax Drive, Room 3086, Arlington, Virginia, 22226-3550.

Lodging

Hotel accommodations for most participants can be arranged in the L. William Seidman Residence Facility, 1001 N. Monroe Street, Arlington, Virginia 22201, (703) 516-4630, adjacent to the Training Center. Reservations should be made through member agency training offices. The FFIEC will make lodging arrangements at the Residence Facility for individuals registering for programs directly with the FFIEC.

Training Memorandums and Pre-course Study Materials

The registering member agency will send a training memorandum and pre-course study materials, if applicable, to each of its participants approximately 30 days prior to the session date. The memorandum will give the location and starting and ending times of the program.

For courses that require pre-course preparation, the FFIEC will send the pre-course materials to member agency training offices for distribution to each participant.

Dress Code

Participants may wear comfortable attire appropriate for a business environment for programs conducted in the L. William Seidman Center, Arlington, Virginia. Coat and tie are not required. However, tennis shoes, t-shirts, blue jeans, and shorts should not be worn. Business attire is required for regional sessions conducted at Federal Reserve Bank facilities.

Course Prerequisites

Participants should meet all course or conference prerequisites as stated in the course description. When in doubt, call the registering agency's training headquarters or the course administrator to determine eligibility. FFIEC course administrators and the programs for which they are responsible are listed below.

PROGRAM ADMINISTRATORS

John P. Newton, Manager

(703) 516-5594

jnewton@fdic.gov

Basic International Banking Self-Study
International Banking School
International Banking Conference

Dennis M. Dunleavy

(703) 516-5592

ddunleavy@fdic.gov

Emerging Issues-Community and
Regional
Emerging Issues-Multinational

Melinda West-Schwartzstein

(703) 516-5591

miwest@fdic.gov

Consumer Compliance
Executive Forum
Real Estate Lending
Risk Management Planning
Testifying
Trust
White Collar Crime

James F. Shannon

(703) 516-5593

jshannon@fdic.gov

Capital Markets
Cyberbanking
Payment Systems Risk

Jeffrey M. Zwick

(703) 516-5597

jzwick@fdic.gov

Conducting Meetings with Management
Information Systems and Technology
Information Systems Symposium
Instructor Training
Management Workshop

Questions?

For more information, call, write or e-mail:

FFIEC Training Center
3501 Fairfax Drive, Room 3086
Arlington, Virginia 22226-3550
Telephone: (703) 516-5588
Fax: (703) 516-5487
E-mail: jpender@fdic.gov

BASIC INTERNATIONAL BANKING SELF-STUDY

Summary

The *Basic International Banking Self-Study* course is taken at the examiner's office through the use of a self-study manual and other materials. It provides examiners with a basic understanding of the structure of international banking activities in banks and how such activities are supervised by the banking agencies. The course is intended to train the examiner in basic international banking examination techniques. The material is designed for two main purposes:

- to provide examiners who have little, if any, international examining responsibilities with a basic understanding of international banking supervisory matters, and
- to act as a prerequisite for the *International Banking School*.

Objectives

At the completion of this course, a participant will be able to:

- outline the structure of international banking operations,
- apply a working knowledge of major international banking laws and regulations to the examination process,
- distinguish the types of international loans and differentiate the risks of international lending from domestic lending,
- identify the policies and procedures that should be implemented by a bank active in international lending,
- distinguish the various kinds of foreign lending by borrower and by geographic

region,

- recognize the range of trade finance instruments commonly use by banks, the key features of a syndication, the associated risks, and the controls that should be in place to manage these risks,
- identify foreign exchange risks, strategies for risk and exposure management, and exposure information systems,
- describe common capital market instruments, such as Eurobonds and medium-term notes, issued in various international markets; and understand how the risks of an international security differ from a domestic instrument, and
- differentiate between derivative contracts, including over-the-counter and exchange-traded, option-based and forward-based, and understand key risks applicable to the off-balance-sheet instruments.

Target Audience

Basic International Banking Self-Study is intended for examiners or analysts who fall within one of the following categories:

- newly hired examiners with at least six months' examination experience who frequently have responsibilities for international banking operations
- examiners or analysts with little or no prior international banking experience.

Requirements

A final examination will be administered at the discretion of the examiner's agency.

CONDUCTING MEETINGS WITH MANAGEMENT

Summary

Conducting Meetings with Management will enable participants to conduct more effective meetings with management. Participants will receive coaching, practice, and constructive criticism which will improve their meeting leadership skills.

Objectives

At the completion of this course, a participant will be able to:

- identify the reasons why examiners conduct meetings with management or directors,
- differentiate between types of meetings with management or directors, and determine when and how to use each type,
- identify and develop good communication techniques aimed at maximizing the effectiveness of meetings with management and directors,
- conduct three different types of presentations in an organized manner, and
- conduct meetings with management involving problematic examination reports and difficult situations.

Target Audience

Conducting Meetings with Management is directed at commissioned examiners who are beginning to make presentations to management. This course is beneficial for all who want to improve their meeting leadership skills

Length

Conducting Meetings with Management is a five-day course. It begins on Monday at 9AM and ends on Friday at 12 NOON.

Requirements

All participants should be prepared to participate in class activities, including the following presentations:

- 3- to 4-minute icebreaker self-introduction
- 5-minute fact-finding interview
- 15-minute summary meeting with a financial institution executive officer
- 15-minute presentation to the board of directors

Pre-course Study

Participants are expected to bring to class an examination report that cites at least three matters serious enough to warrant discussion with an institution's executive officer and board of directors. The report should contain significant problems that present a challenge to persuade management to take the desired corrective action. Problems should be carefully chosen, perhaps in consultation with the participant's supervisor. A specialized examination, such as information systems (IS), bank holding company, or trust, is acceptable if the participant's primary activity is to be in such an area. This examination report will be the basis of two presentations given by the participant. No examination reports will be provided in class for participants.

Post-course Assignment

Soon after completion of the course, the participant should be given the opportunity to at least assist in conducting meetings with management. This experience will provide practice in the use of the concepts and techniques learned.

Topics

Following are the subjects that will be covered in the course. The approximate time allotted to each topic is in parentheses.

- *Introduction and Icebreaker Presentations* (3.5 hours). Lecture/Discussion/Videotaping for entire class; replay and analysis in breakout groups.
- *Purpose and Goals of Meeting With Management* (.5 hour). Lecture/Discussion.
- *Leading an Effective Meeting* (1 hour). Lecture/Discussion/Video.
- *Visual Aids* (1 hour). Lecture/Discussion.
- *Workshop: Preparing for a Fact-Finding Interview* (1 hour). Lecture/Discussion
- *Overview of Communication Skills* (2 hours). Lecture/Discussion.

- *Participant Presentations: Fact-Finding Interview* (2 hours). Breakout groups with videotaping.
- *Management of Conflict in Meetings* (2.5 hours). Lecture/Discussion/Video
- *Workshop: Preparing for the Meeting with the Executive Officer* (1 hour). Lecture/Discussion.
- *Review and Video* (1.5 hours). Discussion/Video.
- *Participant Presentations: Meeting with the Executive Officer* (4.5 hours). Breakout groups with videotaping.
- *Workshop: Preparing for the Meeting with the Executive Officer* (1 hour). Lecture/Discussion.
- *Duties and Responsibilities of Directors and Officers* (1 hour). Lecture/Discussion.
- *Participant Presentations* (6 hours). Breakout groups with videotaping.
- *Workshop: Lessons Learned* (3 hours). Breakout groups with videotaping; replay for entire class.

INFORMATION SYSTEMS SYMPOSIUM*

(FORMERLY EDP SYMPOSIUM)

Summary

Information Systems Symposium provides a forum for the most senior EDP examiners to discuss important EDP issues and to develop recommendations for policies and procedures to address those issues.

A major theme will be announced for each session and an outside expert(s) is usually invited to lead discussions and/or serve as a resource person.

This program is different than most courses in that the flow of “information” is expected to come from the participants to the program leader.

Objectives

At the completion of this course, a participant will have developed a “white paper” which:

- defines the regulatory/examination issues involved in the symposium topic,
- outlines recommended changes in regulations and/or examination procedures, and
- makes recommendations to the supervision officials of the member agencies based on the conclusions reached in the symposium.

Target Audience

Information Systems Symposium is aimed at EDP examiners who are heavily involved in the examination of complex data processing centers. Participants must possess a strong

technical background in EDP examinations. At least five years’ EDP examination experience is preferable. Regional offices must carefully screen participants to ensure that all nominees meet these requirements. A completed participant profile form (see page 5) summarizing each nominee’s experience in EDP must be included with the nomination. This form should be completed by each participant 30 days prior to the beginning of the session. Substitute participants must meet the same experience standards.

Length

Information Systems Symposium is a five-day program. It begins on Monday at 9AM and ends on Friday at 12NOON. Some participants may be required to stay a second week per their agencies’ instructions.

Requirements

Participants should have an active interest in discussing and developing recommendations for *Information Systems* examination procedures. Participants may be asked to lead discussion groups and to outline or draft policy recommendations.

A significant portion of the week will be devoted to developing and writing a “white paper” that is likely to become the basis of a policy recommendation.

*Joint project with the Task Force on Supervision

Information Systems Symposium—Participant Profile*

INSTRUCTIONS: A photocopy of this form should be completed by the nominee and returned to the nominee's training headquarters which will forward the approved forms to the course administrator at the FFIEC training center. If there is a question concerning a nominee's qualifications, the training headquarters should consult with its IS Development Group Representative.

Date _____

Participant's Name _____ Office Phone _____

Agency _____ Years with Agency _____

IS Schools previously attended: _____

Describe your IS examination experience: _____

List the names of the largest data centers you have examined (give dates): _____

Why do you have an interest in the topic of this symposium? _____

Training Headquarters approval: _____ Date: _____

* Joint project with the Task Force on Supervision

Summary

Instructor Training is designed to equip an instructor with fundamental teaching skills. Basic lecture techniques, questioning techniques, lesson planning, and the preparation of audio-visual aids will be covered. Students are also given the opportunity to take a computer-based training course on PowerPoint as well as using computer-assisted instruction. Specific topics and lesson objectives are listed on the following pages.

Target Audience

Instructor Training is intended for those who have been selected to teach in agency or FFIEC courses. Individuals not preparing to become instructors should consider enrolling in either *Conducting Meetings with Management* offered by the FFIEC or a similar course offered by their own agency.

Length

Instructor Training is a five-day course involving extensive class participation. It begins on Monday at 9 AM and ends on Friday at 12 NOON. The normal class day is approximately eight hours of class activities including the presentations by the participants.

Requirements

The participant is required to prepare, deliver, and evaluate the following presentations:

- 5-minute lecture
- 15-minute lecture with questions, part of which will be videotaped
- 15 to 20-minute group facilitation.

Some additional preparation may be required each night. Students are encouraged to bring their laptop computers for help in completing the preparation.

Pre-course Study

Each participant is required to bring familiar **work-related** lesson plans or resource materials that can be used as a basis for the three class presentations. These presentations should be on the same topic. No lesson plans or research facilities are provided for participant presentations.

Post-course Assignment

In order to reinforce new skills, the participant should be assigned to teach as soon as possible after completing this course.

Instructor Training continued

Topic	Hours	Objectives
<i>Introduction</i>	1.0	The participant will be able to identify the goals of the course, identify goals for the presentations, and identify realistic expectations for the course.
<i>Principles of Instruction and the Adult Learner</i>	1.0	The participant will be able to utilize the two principles of instruction, differentiate the needs of the instructor and the learner, and identify learning styles and other factors that can affect learning.
<i>Communication Skills of Effective Instructors</i>	1.0	The participant will be able to instruct with effective nonverbal communication skills and choose appropriate words based on adult learners' needs.
<i>Instructional Techniques (Film)</i>	1.0	The participant will be able to plan for factors that can sabotage a presentation and incorporate effective presentation skills into instruction.
<i>Visual Aids</i>	1.0	The participant will be able to explain the importance of visual aids in effective presentations, develop effective visual aids, and discuss the benefits and limitations of specific types of visual aids. Students have access to the latest training technology for creating and displaying visual aids. Computer-assisted instruction (CAI) is discussed and students are given the opportunity to practice using CAI. A variety of multimedia tools, such as CD-ROM, LCD projector and desktop publishing software, are made available for student presentations.
<i>Presentation #1 (Guidelines)</i>	.33	The participant will prepare a lesson using an introduction, main points, and summary and give a 5-minute presentation using effective speaking techniques.
<i>Lesson Planning</i>	2.25	The participant will be able to describe the Instructional Systems Design process and how that process can be used to develop a lesson plan, write learning objectives, and use a checklist to prepare the room.

**Instructor Training
continued**

Topic	Hours	Objectives
<i>Questioning Techniques</i>		The participant will be able to identify types of questions, use various questioning techniques, and identify techniques for handling student questions and comments in oral presentations.
<i>Presentation #2 (Guidelines)</i>		The participant will prepare a 15-minute lesson using the lecture-with-questions method.
<i>Group Dynamics and Facilitation</i>		The participant will be able to define and prepare for a discussion using effective speaking techniques and identify group processes that occur during discussions.
<i>Presentation #3 (Guidelines)</i>		The participant will prepare a 15 to 20-minute group facilitation.
<i>Classroom Management</i>		The participant will be able to handle “problem” students in the classroom and apply principles of classroom management.
<i>Summary</i>		The participant will be able to function as a learning facilitator and articulate the important concepts of the course.

INTERNATIONAL BANKING SCHOOL

Summary

The *International Banking School* enhances the participants' knowledge of international banking activities in order to improve the examination skills required in supervision. Practical knowledge and techniques needed in field examinations will be emphasized. The International Banking School is taught in a classroom/discussion setting in an interactive learning environment.

Objectives

At the completion of this course, a participant will be able to:

- distinguish the risk characteristics of common global securities in the proper economic, managerial, and regulatory context,
- analyze the risk characteristics of common derivative instruments from an asset/liability management perspective,
- analyze the various types of foreign exchange (FX) transactions, including FX derivatives, pricing and accounting practices,
- evaluate the following risks associated with foreign exchange, such as exchange rate risk, interest rate risk, liquidity risk, credit risk, and business risk,
- evaluate FX risk control policies, risk management systems, and business procedures to control risk,
- analyze the major forces driving structural changes in international financial markets and the impact of these changes on the banking community,

- prioritize and evaluate internal controls and risk management procedures applicable to international activities, and

- provide strong support in examinations of small-scale international banking activities.

Please note that this school heavily emphasizes the international capital markets activities of banks, rather than trade finance.

Target Audience

The *International Banking School* is a specialized course not intended for all bank examiners. Rather, it is designed for examiners who have supervisory responsibilities for regional or multinational banks that are actively engaged in international banking activities and U.S. branches and agencies of foreign banks. This course is considered inappropriate for agency staff who have no international supervisory responsibilities.

In order to obtain a class with a uniform working knowledge of international banking and, thus, greater class participation, participants must have on-going examination responsibilities in international banking that occur at least occasionally, if not frequently. It is recommended that attendees with an international banking background have at least six months to one year prior examination experience. Examiners who have had only occasional international responsibilities are required to have completed the FFIEC *Basic International Banking Self-Study* course. These prerequisites may be waived if the participant has **significant** international banking experience.

International Banking School continued

Length

The International Banking School is a five-day course. It begins on Monday at 8:30 AM and ends on Friday at 12 NOON. The normal class day consists of approximately eight hours of instruction and activities.

Requirements

Participants should bring a calculator capable of calculating present values.

Pre-course Study

Pre-course study materials will be mailed at least 30 days prior to the session date by the FFIEC to the agency training offices for distribution to each participant.

Post-course Assignment

After attending the International Banking School, the participant should be assigned to participate in an international examination as soon as possible.

MANAGEMENT WORKSHOP

Summary

The main objective of *Management Workshop* is to strengthen the participant's management and interpersonal skills, particularly as used in a field setting. At the completion of the training, participants will demonstrate a broad knowledge of management practices, especially the behavioral aspects. Specific topics and lesson objectives are listed on the following pages.

Target Audience

Management Workshop is designed to strengthen and expand the practical applications of basic management concepts. Participants should have at least three years of examining experience.

Length

Management Workshop is a five-day course. It begins on Monday at 9AM and ends on Friday at 11AM. The normal class day consists of approximately seven hours of presentations and activities, including videotaped role

playing. Concepts are presented in lecture format, supplemented by small discussion groups, group exercises, and videotapes.

Pre-course Study

The FFIEC will mail pre-course reading materials and survey instruments to the agency training offices for distribution to the participants. It is very important that the agency training offices distribute these materials at least 30 days in advance of the session so the participants have ample time for completion of the surveys which require input from colleagues. **Participants should complete the pre-course preparation prior to the workshop.**

Post-course Assignment

Participants should be assigned to jobs that will enable them to apply the skills learned to daily job activities.

**Management Workshop
continued**

Topic	Hours	Objectives
<i>Introduction</i>	.5	The participant will be able to explain the course objectives and approaches to learning. Necessary administrative items will be discussed.
<i>Communication</i>	3.5	The participant will be able to recognize the complexities of the communication process. Barriers to communication will be illustrated.
<i>Time Management and Delegation</i>	2.5	The participant will be able to apply techniques for better management of time and to use a formalized delegation process. Major impediments to effective time usage and ways of eliminating them will be discussed.
<i>Decision Making</i>	3.0	The participant will be able to define the elements of effective decision making and practice guidelines to facilitate decision making by subordinates.
<i>Leadership Style</i>	3.5	The participant will be able to appraise leadership style effectiveness. The Situational Leadership model will be reinforced with discussion and exercises.
<i>Interpersonal Relations Video Program</i>	2.5	The participant will be able to understand how value systems are formed in individuals and to understand obstacles in interpersonal relationships and communication as caused by differences in value systems.
<i>Team Building</i>	3.0	The participant will learn about the dynamics of individuals in group situations and about strengths and weaknesses of his/her own interpersonal relations style in group situations.
<i>Motivation</i>	2.5	The participant will be able to discuss various approaches to motivating employees and the application of motivational concepts to everyday life on the job.
<i>Counseling</i>	5.0	The participant will be able to describe a counseling approach to effecting a behavior and/or performance change.
<i>Review and Summary</i>	1.0	The participant will be able to explain major points of the workshop through further questioning and discussion.

TESTIFYING

Summary

Testifying participants learn to present findings as an expert witness through depositions and in-court testimony. Participants testify in mock trial role play, with attorneys serving as judge, prosecutor and defense attorneys. Direct and cross examination techniques will be used. Constructive feedback will be given by other participants, as well as instructors from the U.S. Department of Justice attorneys. Each participant will receive a videotape of his/her deposition and in-court testimony.

Objectives

At the completion of this course, a participant will be able to:

- present evidence in a highly credible manner at depositions, hearings, and trials,
- respond appropriately to defense attorney cross examination tactics and questions from the presiding judge, and
- recognize the importance of proper documentation of criminal referrals.

Target Audience

Testifying is designed for commissioned examiners who are scheduled or are likely to testify in the near future. It is not an automatic follow-up to the FFIEC *White Collar Crime* conference. *Testifying* is intended as a supplement to preparation provided by agency attorneys. Only examiners who expect to testify are encouraged to apply. Exceptions must be reviewed by the nominee's training headquarters. **All participants must complete a participant profile form (see page 14) and submit it to their agency training office.**

Length

Testifying is a four-day course. It begins on Tuesday at 9AM and ends on Friday at 12NOON. The normal class day is eight hours.

Requirements

Much evening preparation is required to acquaint each participant with the details of the case study in order to effectively participate in the role play.

Pre-course Study

The FFIEC will mail the course notebook containing the case study and documentation to each participant approximately three weeks prior to the beginning of the course. Participants must become familiar with the case study in advance of the session. Participants should be prepared to give oral case summaries on Tuesday morning.

Post-course Assignment

It is expected that the participant will testify at a deposition, hearing, or trial soon after completion of the course.

Topics

Topics may vary somewhat from session to session. It is, however, expected that the following topics will be covered:

- *Effective Testimony*
- *Testifying in Depositions*
- *Case Review*
- *Testifying*
- *A Judicial Perspective*

Testifying—Participant Profile

INSTRUCTIONS: A photocopy of this form should be completed by the nominee and returned to the nominee's training headquarters which will forward the approved forms to the program administrator, Melinda West-Schwartzstein, at the FFIEC training center. If there is a question concerning a nominee's qualifications, the training headquarters should consult with its Testifying Development Group Representative.

Date _____

Participant's Name _____

Office Phone _____

Agency _____

Years with Agency _____

Describe your previous testifying experience (if any): _____

Briefly describe the case(s) on which you are likely to testify _____

What goals do you want to accomplish during the school? _____

Training Headquarters approval: _____

Date: _____

:

Summary

The *Capital Markets* conference is intended for those examiners who must integrate the risks inherent in capital market activities into the overall risk profile of an institution (e.g., examiners-in-charge, review examiners), and who need to develop greater familiarity with attendant products, risk, and issues.

Objectives

At the completion of this course, a participant should be able to:

- identify the characteristics, uses, and risks of capital markets activities currently in widespread use,
- analyze the impact on individual financial institutions of accounting rules and capital requirements,
- articulate earnings and market risk exposure for interest rate risk positions,
- discuss key elements in interest rate risk models, and
- describe the fundamental principles of hedging.

Target Audience

The *Capital Markets* conference is designed for “seasoned” examiners, examiners-in-charge, review examiners, and surveillance examiners who need to develop more knowledge in the capital markets area. Participants should have basic skills in evaluating asset/liability management techniques. **Capital market specialists and**

examiners who have had extensive advanced capital markets training should not attend this conference.

Length

The *Capital Markets* conference length is 4 days. The normal conference day is eight hours of lectures and discussions.

Requirements

A pre-course reading will be assigned. **Attendees should bring a calculator capable of solving present value problems to the conference.**

Topics

Topics are likely to change in order to address the most current issues in the marketplace. The following topics and their related accounting issues are likely to be addressed:

- *Measuring and Managing Interest Rate Risk*
- *Asset-backed Securities - Credit, Interest Rate, Market, Liquidity Risks*
- *Value-at-Risk Models as a Tool in Managing Interest Rate Risk*
- *Assessment of Interest Rate Risk Models*
- *Structured Notes*
- *Uses of Futures and Options*
- *Interagency Policy Statements*
- *Recent Market Developments/Products*
- *Accounting for Capital Market Products*

CONSUMER COMPLIANCE

Summary

The *Consumer Compliance* conference is designed to update senior compliance examiners on current and prospective developments in the area of consumer compliance. Speakers for this program are nationally recognized industry leaders and senior staff members from regulatory agencies.

Target Audience

Consumer Compliance is directed at senior examiners as identified by each agency.

Length

The *Consumer Compliance* conference length may vary but is likely to be 4½ days. It will begin on Monday at 9 AM and end on Friday at 12 NOON. Some portion of this time may be used for agency breakout. The normal conference day is approximately eight hours of lectures and discussions.

Requirements

Participants should bring a calculator capable of solving present and future value problems.

Topics

Topics will be selected by the interagency Task Force on *Consumer Compliance* and will focus on current or emerging issues. In 1993, some of the topics presented were:

- *Consumer Compliance from a Washington Perspective*
- *Bank Community Reinvestment in America*

- *HMDA: Panel Discussion*

- *Fair Lending Implications of Real Estate Appraisals*

- *Community Organizations: Panel Discussion*

- *Current Trends in Community Development Lending*

- *Truth-in-Savings*

- *Status of Flood Insurance Compliance and Pending Legislation*

- *New Directions in Community Lending in the Secondary Mortgage Market*

- *Adjustable Rate Mortgages: Common Problems*

- *True Colors*

Note

The *Consumer Compliance* conference is offered on an as-needed basis, to be determined by the Task Force on Examiner Education. The most recent conference was held in 1993. This conference is sponsored jointly with the Task Force on Consumer Compliance.

CYBERBANKING - REGULATORY IMPLICATIONS

Summary

The *Cyberbanking - Regulatory Implications* conference will introduce higher level regulators to the latest advancements in electronic banking. The conference will emphasize the risks associated with each of several new cyberbanking technologies. Methods to control or reduce risks will be discussed. Consideration will also be given to the adequacy of present regulations and policies. The conference will feature industry executives who are pushing the technology/product envelope.

Objectives

At the completion of the course, a participant should be better able to:

- describe smart cards, and explain their attendant risks,
- provide an in-depth description of the Internet, its attendant risks, and how its expanded usage may impact commercial banking,
- define e-cash and its implications,
- describe the regulatory framework in place which addresses the new technologies, and
- discuss appropriate industry and regulatory controls to govern the electronic banking environment.

Target Audience

Cyberbanking - Regulatory Implications is intended for review examiners and policy makers. The conference would be also be beneficial for regulatory attorneys.

Length

Cyberbanking - Regulatory Implications is a 1-1½-day conference, providing approximately eight to twelve hours of lectures and discussions.

Topics

Topics likely to be included are:

- *Trends in Electronic Banking*
- *Security Measures and Risk Controls for New Delivery Systems*
- *Risks Associated with Smart Cards*
- *Risks Associated with Internet Banking*
- *Legal and Regulatory Considerations of Electronic Banking*
- *The Pros and Cons of Industry Regulation*
- *Partnership and Alliance Reviews*
- *E-cash Implications*
- *Application Considerations*
- *Latest Products on the New Delivery Channels*

EMERGING ISSUES

FOR COMMUNITY AND REGIONAL FINANCIAL INSTITUTION SUPERVISORS

Summary

The *Emerging Issues - Community and Regional* conference seeks to provide authoritative analyses of emerging technical topics and important contemporary issues confronting the regulatory and banking communities. Speakers and topics will center on large institutions.

Objectives

At the completion of this course, a participant should be able to:

- discuss critical issues in regulation and supervision,
- evaluate the impact of emerging concerns, and
- recognize the early warning signals of supervisory concern with each topic.

Target Audience

Emerging Issues - Community and Regional is directed at senior supervisory personnel with a minimum of five years of experience who spend a majority of their time conducting supervisory activities of regional and community financial institutions of less than \$15 billion.

Length

Emerging Issues - Community and Regional is a four-day conference. Most sessions will begin on Monday at 9AM and end on Thursday at 12NOON. The normal class day is eight hours of lectures and discussions.

Requirements

All participants should be prepared to ask questions as part of a large group.

Topics

Topics will evolve from session to session with the changing regulatory environment. The following topics may be presented in 1997:

- *Emerging Issues from a Banker's View*
- *Risk Measurement and Management*
- *A Discussion of Current and Prospective Accounting Issues*
- *The Effects of Interstate Banking*
- *Capital Markets*
- *Compliance Update*
- *Annuities*
- *Environmental Issues Update*
- *The Changing Credit Culture*
- *Legislative Update*
- *Where Is the Economy Going?*
- *Regulatory Trends - an address by a top regulatory official*
- *Electronic Money*
- *Evaluating the Newly Merged Institution*
- *Banking and Technology*

EMERGING ISSUES

FOR MULTINATIONAL FINANCIAL INSTITUTION SUPERVISORS

Summary

The *Emerging Issues - Multinational* conference seeks to provide authoritative analyses of emerging technical topics and important contemporary issues confronting the regulatory and banking communities.

Objective

At the completion of this course, a participant should be able to discuss the critical regulatory and supervisory issues facing multinational institutions.

Target Audience

Emerging Issues - Multinational is directed at senior supervisory personnel with a minimum of five years of experience whose supervisory responsibilities or experience primarily comprise multinational and superregional financial institutions **exceeding \$15 billion**. No other participants should apply.

Length

Emerging Issues - Multinational is a four-day conference. Most sessions will begin on Monday at 9AM and end on Thursday at 12 NOON. The normal conference day is eight hours of lectures and discussions.

Requirements

All participants should be prepared to ask questions as part of a large group.

Topics

In contrast to the *Emerging Issues Community and Regional* conference, the listed topics will be presented in a **large bank** context. Topics will evolve from session to session with the changing regulatory environment. The following topics may be presented in 1997:

- *Market Risk Measurement Methods*
- *A Multinational Banker's View on Emerging Issues*
- *Credit Derivatives*
- *Capital Markets Update*
- *What Do Banks Do for an Encore*
- *Accounting Issues Update*
- *Banking and Technology*
- *Legislative Perspective*
- *Due Diligence in Multinational Mergers*
- *Cyber Money*
- *New Bank Powers*
- *Outsourcing*
- *Regulatory Perspective given by a senior official of a member agency*
- *Outlook for the National and Global Economy*



EXECUTIVE FORUM

Summary

The *Executive Forum* is a one-day conference which will focus on one or two major topics of contemporary regulatory concern. The goal is to provide insight into the applicability of current regulations and the pros and cons of additional regulation of a rapidly expanding new banking power or product. Emphasis will be placed on identification of risk, control, and disclosure aspects.

Objectives

The major objective of the conference is to provide access to leaders in the evolution of the banking industry and the opportunity to listen to and exchange ideas with them. Rather than discuss numerous topics at a superficial level, the forum will focus on one or two major topics and provide sufficient opportunity to explore the implications of various proposals. After having attended, regulatory officials

should be better able to evaluate the impact of various regulatory courses of action.

Target Audience

The conference is aimed at policy makers who develop regulations or examination procedures and leaders of the examination staffs of the member agencies – at the officer or manager level. While primarily intended for the Washington staff, regional staffs are welcome.

Length

In 1997, the *Executive Forum* will be presented in two ½-day sessions, beginning at 1 PM one afternoon and concluding at 12 NOON the following day.

Topics

Topics will be finalized approximately 90 days in advance of the conference.

Note

If requests to attend exceed availability, it is suggested that training offices give priority to agency executives.

INFORMATION SYSTEMS AND TECHNOLOGY

Summary

The *Information Systems and Technology* conference is designed to update senior data processing examiners on current and prospective developments in the area of information systems. Speakers for this program are nationally recognized industry leaders and, occasionally, senior staff members from regulatory agencies.

Objectives

At the completion of this course, a participant should be able to:

- identify the risks, benefits, advantages and disadvantages of emerging technologies, and
- discuss the implementation of leading edge banking and data processing hardware and software, including security issues.

Target Audience

Information Systems and Technology is directed at senior EDP examiners as identified by each agency.

Length

The *Information Systems and Technology* conference length may vary but is likely to be 4 days. It will begin on Monday at 9 AM and end on Thursday at 12 NOON. The normal conference day is approximately eight hours of lectures and discussions.

INTERNATIONAL BANKING CONFERENCE

Summary

The *International Banking* conference seeks to bring participants up-to-date on the latest developments in international banking activities. Supervisory issues and policies of the bank regulatory agencies will be discussed.

Target Audience

The intended audience is senior international examiners or senior examiners-in-charge as identified by each agency.

The conference is intended only for those examiners who regularly have senior responsibility in the international banking or financial arenas.

Length

The *International Banking* conference length may vary but is usually two to three days. The normal conference day is approximately eight hours of lectures and discussions.

Requirements

Participants must have attended either the *International Banking School* or the former *International Banking II*, or must be in charge of examinations of operations that engage in international banking activities.

Topics

The topics have not yet been chosen; however, the following topics were presented in the 1996 conference:

- *Supervisory Perspective on International Banking presented by a top regulatory official*
- *Update on the latest BIS initiatives and other supervisory matters*
- *Trend in the International Derivative Markets*
- *New Directions in Global Banking*
- *International Debt Reexamined*
- *China and the Economics of the Pacific Rim*
- *Control Issues in Private Banking*
- *Global Custody*

Note

The *International Banking Conference* is offered on an as-needed basis, to be determined by the Task Force on Examiner Education. The most recent conference was held in 1996.

Space is limited for this conference and those who do not have regular international examination responsibilities should not attend.

Summary

The *Payment Systems Risk* conference will improve examiners' understanding of the risks involved in payment systems, methods used to minimize these risks, and the means of evaluating these risks in the examination process. The conference will address both retail and wholesale payment systems. Emerging payment systems will be covered in this conference.

Objectives

- explain systemic risk,
- explain the operating procedures of FedWire, CHIPS, and regionally automated clearing houses,
- explain controls for Fedline terminals,
- explain how the Internet works, how banking is performed on the Internet, and the risks of the technology,
- define the components of an effective contingency plan,
- differentiate stored value cards from smart cards. Explain unique risks of these new products,
- explain the risk factors and control procedures associated with merchant credit card processing, and
- describe paperless auditing techniques.

Target Audience

Payment Systems Risk is intended for both

commercial field examiners and regional/district office staff who need a better understanding of the risks associated with payment systems. A minimum of two years of experience is recommended.

Length

Payment Systems Risk is a 4-day conference. The normal conference day is approximately eight hours of lectures and discussions.

Post-course Assignment

Participants should be given the opportunity to examine wire transfer activities in order to enhance their training.

Topics

Topics likely to be included are:

- *Functions of Payment/Settlement/Message Systems*
- *Risks Associated with Wire Transfers*
- *Fedline Terminal Controls*
- *Potential Insurance Risks*
- *Impact of E-cash*
- *Contingency Planning*
- *Merchant Processing Risks*
- *Banking on the Internet*
- *Auditing Paperless Transactions*
- *Emerging Payment Systems*

REAL ESTATE LENDING

(FORMERLY INCOME PROPERTY LENDING)

Summary

The *Real Estate Lending* conference is designed to identify and evaluate real estate lending activity that contributes unduly to the risk profile of an institution. Mortgage markets and new loan structures will be evaluated as the need arises.

Objective

At the completion of this course, a participant should be able to discuss contemporary real estate issues.

Target Audience

Real Estate Lending conference is intended for senior level field examiners in need of an update on current real estate issues.

Length

The *Real Estate Lending* conference length may vary but is likely to be 4 days. The normal conference day is approximately eight hours of lectures, discussions, and case studies.

Topics

Possible topics include:

- *Demographic Trends and Effect on Real Estate Market*
- *Specialized Lending (hotels, casinos)*

- *Warehousing Lending (FNMA)*
- *REIT Analysis and Limited Real Estate Partnerships*
- *Government Guaranty Lending*
- *Credit Scoring and Real Estate Lending*
- *Potential Impact of Pending Legislation*
- *Affordable Housing*
- *Community Development Lending*
- *Agricultural Lending*
- *Environmental Risks and Hazards*
- *Real Estate Law*
- *Workouts*
- *Managing the Real Estate Portfolio*
- *Construction Lending*

RISK MANAGEMENT PLANNING

Introduction

Formerly offered exclusively for executive management of financial institutions, the audience of the *Risk Management Planning* seminar has been expanded to include senior examiners and other senior regulatory staff. This is an opportunity for regulatory staff to learn more about the field of bank-wide risk management and to meet financial institution executives in a venue other than the examination.

The conference presents concepts and management techniques that are the foundation of good risk management systems. Break-out discussion will provide useful feed-back from industry executives regarding the new emphasis on examination by risk management policies and systems.

Objectives

At the completion of this course, a participant should be able to:

- evaluate risk management policies for important areas of activity in a bank,
- evaluate the risk management systems in an institution and determine whether improvement is needed,
- evaluate new products and the risks they may pose to institutions,
- explain bank-wide risk management, and
- develop relationships with other regulators and bankers dealing with such issues.

Target Audience

Risk Management Planning is intended for executives or outside directors of insured

financial institutions (emphasis on the CEO), regulatory officers, and senior examiners with at least ten years of experience.

Length

Risk Management Planning is a 1½-day seminar.

Requirements

Business casual attire is suggested.

Topics

Topics may change from session to session but the following subjects are likely to be addressed:

- *Risk Terminology and the Various Categories of Risk*
- *The Elements of a Sound Risk Management System - Identifying, Measuring, Monitoring, and Controlling Risk*
- *Structuring an Overall Risk Management Plan in an Institution*
- *Planning for and Monitoring Future Risks (Emerging Technologies)*
- *Understanding the Role of Internal Controls in Risk Management*
- *Tools and Models for Risk Management Analysis*
- *Risk Management Systems Appropriate to Different Sized Institutions*

TRUST

Summary

The *Trust* conference is designed to update senior trust examiners on current and prospective developments in the area of trust banking. Speakers for this program are nationally recognized industry leaders and, occasionally, senior staff members from the regulatory agencies. Topics may include corporate trust update, the changing roles and responsibilities of trustees, trust cash management issues, portfolio management and new legislation. In addition, regulatory and reporting requirements from the Department of Labor and the Securities and Exchange Commission may also be addressed.

Objectives

At the completion of this course, a participant should be able to:

- discuss current trends in trust banking,
- evaluate compliance with other regulatory agency requirements, and
- identify and evaluate risks associated with offering trust and asset management services.

Target Audience

The *Trust* conference is intended for senior trust examiners as identified by each agency.

Length

The *Trust* conference length may vary but is usually three days. The normal conference day is approximately eight hours of lectures and discussions.

Requirements

Some evening reading or case studies may be assigned.

Note

The *Trust* conference is offered once a year.

At the conclusion of this program, some agencies may conduct individual break-out sessions lasting one to two days.

WHITE COLLAR CRIME

Summary

The *White Collar Crime* conference is designed to familiarize the participants with the major types of fraudulent activity and insider abuse. Fraud detection and documentation techniques will be covered. Participants will gain familiarity with real estate fraud, investment securities fraud, public records searches, and the relevant criminal statutes administered by the U.S. Department of Justice.

Objectives

At the completion of the course, a participant should be able to:

- identify civil and criminal violations of law,
- assimilate findings into an effective criminal referral,
- evaluate options in the investigative process, and
- describe early warning fraud signals.

Target Audience

Each participant should have a minimum of two years' experience in financial institution examination.

Length

White Collar Crime is a five-day conference. It begins on Monday at 9 AM and ends on Friday at 12 NOON. The normal class day consists of approximately eight hours of lectures, question and answer periods, and case examples.

Requirements

All participants should be prepared to ask questions as part of a large group.

Topics

Topics and speakers vary somewhat from session to session. Most of the following topics will be covered:

- *Criminal Statutes*
- *Fraud Detection Discussion*
- *Fraud Investigation and Documentation from a Prosecutor's Perspective*
- *Money Laundering Overview*
- *A Potpourri of Scams*
- *Real Estate Developer Fraud*
- *Appraisal Fraud*
- *Investment Securities Fraud*
- *Credit and Other Card Fraud*
- *Computer Fraud*
- *Wire Transfer Fraud*
- *Proactive Approaches to Bank Fraud Prevention*
- *Testifying*
- *Searching for Hidden Assets and Information*
- *Check Fraud*
- *Cyberfraud*

FEDERAL DEPOSIT INSURANCE CORPORATION

The Federal Deposit Insurance Corporation's (FDIC) Training and Consulting Services Branch (TCSB) is responsible for developing and conducting examiner education programs. These programs are provided for FDIC's Division of Supervision examiners and offered to state banking departments, foreign central bankers and other banking agencies on a space available basis.

Registration Procedures

Each May, the FDIC requests an estimate from states of slots needed in selective FDIC and FFIEC programs through an informational letter that sets a response deadline in early July. Supported slots are awarded based on space and resources available, and FDIC priorities. In mid to late fall, awarded slots in FDIC courses are communicated to states along with a request for names. Sponsored slots in FFIEC programs are not communicated until sometime later when FFIEC's schedule is firm. Unless FDIC hears back very quickly to the contrary, all slots are considered "confirmed."

Cancellation Policy

Confirmed state student nominations in FDIC schools must be canceled at least thirty-one days prior to the start of a class. For cancellations made less than 31 days prior to the start of the class when no replacement student is offered, the state banking authority is responsible for the total tuition and lodging costs. In the case of cancellations of confirmed FFIEC school slots sponsored by the FDIC, state banking authorities will be responsible for total tuition regardless of when they are canceled. The state will also be responsible for the cost of lodging if the cancellation is made less than 31 days prior to the start of the class. Substitutions may be made in any course at any time.

Tuition

Tuition for FDIC schools varies depending on materials, instructors and length of course but ranges between \$250 to \$850.

Funding

A cost-sharing program exists that is explained in detail in the informational letter sent to each state.

Lodging

A separate indication of lodging needs must be provided when students' names are submitted. Students requiring accommodations outside the norm, which is "in" the night before a class begins and "out" the last day, will be responsible for making their own arrangements with the hotel and paying any additional expense themselves.

Contact

General information requests, student cancellations, changes, or lodging questions should be directed to the FDIC Training Branch at the address below:

Federal Deposit Insurance Corporation
Division of Supervision Training Branch
3501 Fairfax Drive
Room VS-3045
Arlington, Virginia 22226-3500
Telephone: 703/516-1022/1035
FAX: 703/516-1034

<i>Introduction to Examinations</i>	<p>Upon completion of the first two weeks of this course the participants will be able to discuss the important elements of bank and bank holding company supervision and the essential components of the Call Report. After completion of the third FDIC-only week, the participants will be able to demonstrate the technical and interpersonal skills necessary to be successful as the assistant examiner in charge of the detail part of a bank examination.</p> <p>Course Length: 3 weeks Intended Audience: Assistant Examiners with 3–6 months of experience in bank examination</p>
<i>Financial Institution Analysis</i>	<p>Upon completion of this course the participants will be able to conduct an internal or external review of a bank's or of a bank holding company's financial condition, prepare a written analysis of the bank's or holding company's condition, and recommend supervisory action to be taken.</p> <p>Course Length: 2 weeks Intended Audience: Assistant Examiners with approximately one year of experience in bank examination</p>
<i>Loan Analysis</i>	<p>Upon completion of this course the participants will be able to assist with loan file review and recommend appropriate loan classifications, as well as participate in loan discussions, prepare fundamental loan writeups, and interpret commercial lending from the lender's perspective.</p> <p>Course Length: 2 weeks Intended Audience: Assistant Examiners with 18–30 months of experience in bank examination</p>
<i>Examination Management School</i>	<p>Upon completion of this course the participants will be able to lead the examination process and prepare examiner summary comments in a financial institution with a moderate degree of problems.</p> <p>Course Length: 3 weeks Intended Audience: Assistant Examiners with 30–42 months of experience in bank examination</p>
<i>Commissioned Examiner Seminar</i>	<p>Participants in this course focus on the more advanced examination techniques and the examiner's role in the supervisory process.</p> <p>Course Length: 1 week Intended Audience: Examiners commissioned from 1–2 years</p>

***Trust Examination
School***

Upon completion of this course participants will be able to discuss most of the aspects of bank fiduciary activity, outline the major functions of a trust department, and identify the responsibilities imposed on the trust department.

Course Length: 2 weeks

Intended Audience: Trust examiners with 3–6 months of experience or commissioned commercial examiners with 18–24 months of experience

Small Computer School

Upon completion of this course participants will be able to describe bank information systems operations and information systems examination techniques, identify weaknesses in management and internal controls, and use the turnkey workprogram to conduct an information systems examination.

Course Length: 1 week

Intended Audience: Financial institution examiners who will be examining small bank data processing operation. Participants should have at least two years of examination experience

FEDERAL RESERVE SYSTEM

The Federal Reserve System's Supervision Training Program is responsible for developing and conducting examiner education programs. These programs are offered to staff of the twelve Federal Reserve Banks, Board of Governors, state banking departments, and, on space available basis, foreign central banks.

Registration Procedures

State participants are to register through the training coordinator in the Bank Supervision Department at the Reserve Bank in whose district the state is located. If the state is split between two reserve districts, the state is to register through the Reserve Bank in whose district the state capital is located. In April of each year, the Board's training program surveys Reserve Banks for their training needs for the following year. Each Reserve Bank, in turn, surveys each state in its district for training needs. The surveys are returned to the Board during May and form the basis for the System's training calendar. For further information on registration procedures, contact the training coordinator at the appropriate Reserve Bank.

Cancellation Policy

There is no penalty for cancellation of participants in Federal Reserve System schools. In case of cancellation of confirmed FFIEC slots sponsored by the System, state banking authorities will be responsible for total tuition regardless of the date of the cancellation if the slot cannot be resold.

Tuition

There are no tuition charges for Federal Reserve System schools. There are charges for course materials for state banking departments and international students in the following schools: *Loan Analysis* - \$875, *Real Estate Lending Seminar* - \$250, and *Management Skills* - \$56.

Funding

A cost-sharing program that includes partial reimbursement of materials charges, tuition, lodging and travel expenses is available from each Reserve Bank for state attendees from its district in System and FFIEC programs. For further details, contact the appropriate Reserve Bank training coordinator.

Lodging

Federal Reserve makes lodging arrangements for all participants in System programs. Federal Reserve will also make lodging arrangements for participants in FFIEC courses who register through the Federal Reserve. There is a one night "no-show" charge for any cancellation made after the date the reservation begins. States are responsible for all lodging expenses, unless other arrangements have been made with the appropriate Reserve Bank.

Contact

For additional information, please contact:

SUPERVISION TRAINING PROGRAM

Board of Governors of the
Federal Reserve System
Division of Banking Supervision & Regulation
Washington, D.C. 20551-0001
Telephone: 202/973-5075
FAX: 202/973-5060

<i>Introduction to Examinations</i>	<p>This course teaches regulatory accounting, essential components of the Call Report, and the important elements of bank and bank holding company supervision.</p> <p>Course Length: 9½ days Intended Audience: Individuals with approximately 3–6 months' experience in supervision</p>
<i>Financial Institution Analysis</i>	<p>This course is designed to teach participants how to analyze a bank's or bank holding company's financial condition using financial data taken from performance, examination, and inspection reports, and prepare a written analysis of the institution's condition. Credit analysis and loan classification techniques are introduced. Capital markets instruments are also introduced.</p> <p>Course Length: 9½ days Intended Audience: Individuals with 12–18 months' experience in supervision</p>
<i>Loan Analysis</i>	<p>Upon completion of this course, the participants will be able to review loan files and recommend appropriate loan classifications, participate in loan discussions, prepare loan writeups, and understand commercial lending from the lender's perspective.</p> <p>Course Length: 9½ days Intended Audience: Individuals with more than 18 months' experience in supervision</p>
<i>Bank Management</i>	<p>This course will enable the participants to more fully understand specific banking functions, gain an in-depth view of the operations of a banking institution from the banker's perspective, and participate in a computer model that simulates a real-world banking environment. Advanced credit analysis techniques will be stressed.</p> <p>Course Length: 9½ days Intended Audience: Individuals with 30–42 months' experience in supervision</p>
<i>Bank Holding Company Applications</i>	<p>This course is designed to provide basic understanding of applications processing and familiarize students with related Board decisions.</p> <p>Course Length: 4½ days Intended Audience: Applications caseworkers with 2–9 months' experience</p>

<i>Consumer Compliance Examination I</i>	<p>This course offers an overview of consumer laws and regulations. The participants will work with loan files and case studies, and will participate in a mock examination.</p> <p>Course Length: 9½ days Intended Audience: Individuals with 3-6 months' experience in consumer examinations</p>
<i>Consumer Compliance Examination II</i>	<p>This course examines complex consumer affairs issues and demonstrates how to effectively conduct an examination and present findings to management.</p> <p>Course Length: 9½ days Intended Audience: Individuals with at least 9-12 months' consumer compliance examination experience</p>
<i>Basic Entry Level Trust</i>	<p>This course discusses the major functions of a financial institution's trust department and the duties and responsibilities regarding its fiduciary obligations.</p> <p>Course Length: 9½ days Intended Audience: Individuals with 3 months' trust examining or two years' general examining experience</p>
<i>Advanced Trust</i>	<p>This course offers an overview of the complex elements of the fiduciary and other services offered by trust departments. The course emphasizes examination techniques and report writing.</p> <p>Course Length: 9½ days Intended Audience: Individuals with 2 years' trust examination experience</p>
<i>Effective Writing for Banking Supervision Staff</i>	<p>This course stresses good writing skills, proper planning and organization, and editing techniques. The students will participate in class writing assignments and small group critiques.</p> <p>Course Length: 4 days Intended Audience: All levels of examiners and reviewers</p>
<i>Bank Holding Company Inspections</i>	<p>This specialized course provides an in-depth overview of BHC inspections, including how to perform an inspection and how to analyze a BHC's financial condition.</p> <p>Course Length: 4½ days Intended Audience: Individuals who will be responsible for holding company inspections</p>

Bank Operations School

This course focuses on bank operations, internal and external audits and internal controls, and preparation of the report of examination.

Course Length: 4½ days

Intended Audience: Individuals with approximately 6 - 12 months' experience in commercial bank examinations

Intermediate EDP Examination School

This course focuses on the following data processing areas: data security, data communications, end-user computing, auditing techniques, payment systems risk and new technologies and their effect on the control environment of financial institutions.

Course Length: 9½ days

Intended Audience: EDP examiners with approximately 1 year of examination experience

Specialized Lending Seminar

This course uses case studies and lectures to give participants a systematic approach to analyzing complex credit transactions. Topics covered include HLTs, credit enhancements, loan workout situations, loan loss reserve analysis, loan structuring and pricing, and other current trends in lending.

Course Length: 4½ days

Intended Audience: Individuals who have been commissioned as examiners of banks or bank holding companies for at least four years

Real Estate Lending Seminar

This course gives the participant a systematic approach to analyzing real estate acquisition, development and construction lending. The course covers project analysis, real estate loan workouts and developer financial support.

Course Length: 4½ days

Intended Audience: Individuals who have been commissioned as examiners of banks or bank holding companies for at least two years

Management Skills

This course is designed to teach examiners more effective ways of dealing with coworkers and supervisors, and building teamwork in the examination setting. There are sections on problem solving and conflict resolution skills with particular emphasis placed on the common environment of regulatory personnel. The course is highly interactive and requires the student to participate in a substantial way.

Course Length: 4½ days

Intended Audience: Individuals who are commissioned examiners of banks or bank holding companies

***EDP Continuing
Education School***

This continuing education program is designed for experienced EDP examiners and provides insight into specialized areas in the EDP environment as determined by the EDP Training Committee and the Board's EDP Coordinator. The program topics typically will change from year to year.

Course Length: 4½ days

Intended Audience: Individuals who have completed the System's Intermediate EDP Examination School and have three or more years of EDP examining experience.

NATIONAL CREDIT UNION ADMINISTRATION

The National Credit Union Administration's (NCUA) Office of Examination and Insurance is responsible for developing and conducting technical examiner training programs. These programs are offered to NCUA and State credit union examiners, selected members of credit union trade organizations and to staff of international cooperative regulators.

Registration Procedures

Federal Examiners—New examiners with less than one year of experience are automatically enrolled in the New Examiner Training Program. As such, they automatically attend each of the five levels of New Examiner Training. On or about June 15 of each year, NCUA provides its staff with a current catalogue of course offerings. Each employee with at least one year of experience completes an Individual Development Plan (IDP) which outlines training requests for the year. These requests include available seminars conducted by NCUA, the Federal Financial Institutions Examination Council (FFIEC), of which NCUA is a member, and courses conducted by other outside sources. Generally, each examiner has the opportunity to enroll in two career development seminars each year. Individual Development Plans are received in Washington in August and examiners are scheduled to attend the requested training. The specific dates and locations for each seminar are determined in late August and participants are notified in September when and where their seminars will be conducted. Courses are conducted in various locations throughout the year.

State Credit Union Examiners—State examiners can participate in Levels III, IV, and V of the New Examiner Training Program and in all NCUA seminars. In addition, NCUA conducts special computer training programs for state examiners that utilize NCUA's examination software. The NCUA works with the National Association of State Credit Union Supervisors (NASCUS) to schedule state examiner participation in all programs. NASCUS em-

plays an individual, who is located in NCUA's Central Office, to coordinate all training activities with NCUA. The registration process is similar to NCUA's. On or about June 15, NASCUS forwards a course catalogue and detailed registration procedures to each State regulator. State regulators have the opportunity to request slots in any NCUA program. (See funding section.) State regulators are notified in September of specific course dates and locations.

Cancellation Policy

There is no penalty for cancellation of participants in NCUA-sponsored courses.

Tuition

No tuition is charged to attend NCUA in-house sponsored programs. If NCUA is assessed a tuition by the organization conducting a course, and the state participant is not attending the course under an NCUA scholarship, the NCUA will assist the state in obtaining a favorable tuition rate.

Funding

The NCUA awards a specific number of scholarships to state participants in NCUA training programs. The number of scholarships is determined during NCUA's annual budget process. Scholarships include reimbursement for all allowable travel expenses incurred in attending a training program. In addition, NCUA will pay any tuition charges associated with attending the program. The State is responsible for payment of salary and benefit expenses. NASCUS is responsible for allocating the number of scholarships each State receives. In the event sufficient funds are not available to meet the demand for training, States have the opportunity to send participants to training programs on a non-reimbursable basis.

Lodging

NCUA makes lodging arrangements for all participants in NCUA programs. In the majority of cases, the cost of lodging is directly billed to NCUA. NCUA-funded participants are not required to pay a hotel bill when checking out of the hotel. If the participant's attendance is not being funded by NCUA, arrangements are made to have the individual make direct payment to the hotel. Participants in FFIEC programs will be lodged at the FDIC Student Lodging Facility. In the majority of cases, the cost of lodging is direct billed to NCUA. NCUA-funded participants are not required to pay the hotel bill when checking out of the lodging facility. If the participant's attendance is not being funded by NCUA, arrangements will be made to have the individual pay all lodging costs. NCUA will assist in making these arrangements.

Contact

For further information, please contact:

National Credit Union Administration
Office of Examination and Insurance
1775 King Street
Alexandria, VA 22314
Telephone: 703/518-6374
FAX: 703/518-6569

New Examiner Training Program

Course 101: ***New Examiner Training*** ***Level I—Orientation***

The purpose of this course is to provide the new examiner who has just entered on duty with a background on the history and organization of the credit union movement, and basic familiarity with the laws, regulations, and accounting procedures that govern federally insured credit unions. Information regarding the administrative and financial procedures of the NCUA and National Credit Union Share Insured Fund will be presented. An onsite visit to a credit union is also included in this program. Members of the credit union's management team are invited to share their insights on credit union operations and the examiner's role in the operations of their credit union.

Course Length: 4 days

Intended Audience: NCUA entry-level examiners

Course 102: ***New Examiner Training*** ***Level II—Basic*** ***Examination Procedures***

The purpose of this course is to provide the new examiner with an exposure to NCUA's examination procedures. Included in the material covered is information on the purpose of each examination procedure, and a review of the verbal and written communication skills that the examiner will be required to develop. The first week of the course is computer oriented. Examiners are issued their laptop computers and receive extensive training on the operation of the computer and NCUA's automated examination program. This program begins the first workday after the completion of the Level I program.

Course Length: 15 days

Intended Audience: NCUA examiners with one week of experience

Course 103: ***New Examiner Training*** ***Level III—Examiner*** ***Skills***

The purpose of this course is to provide the new examiner with a review of basic analytical skills, a detailed review of verbal and written communication skills, and additional training on the NCUA laptop computer. Prior to attending this program, examiners should have had practical experience in conducting meetings with management and writing examination reports.

Course Length: 10 days

Intended Audience: Credit union examiners with three months' on-the-job experience

Course 104:
New Examiner Training
Level IV—Financial
Analysis

The purpose of this course is to provide the new examiner with a detailed review of financial analysis with an emphasis on the use of NCUA's Financial Performance Report. There is an in-depth discussion of each component of the CAMEL rating system and how these components are used to determine the credit union's composite CAMEL rating. Emphasis will be placed on the use of case studies and the ability of the participant to communicate findings of their analysis. Upon completion of this program, the examiner will have gained the necessary analytical skills to be assigned a district.

Course Length: 5 days

Intended Audience: Credit union examiners with six months' on-the-job experience

Course 105:
New Examiner Training
Level V—Specialized
Training

The purpose of this course is to provide the new examiner with a review of specialized areas, such as lending, asset-liability management, investments, and problem-case credit unions. The course is designed to introduce the examiner to complex areas rather than make them specialists in each of the areas. This program caps the first year of formalized technical examiner training.

Course Length: 5 days

Intended Audience: Credit union examiners with nine months' on-the-job experience

Technical Seminars

Seminar 201: *Agricultural Lending Seminar*

The purpose of this seminar is to provide a background in the highly specialized area of agricultural lending. Information will be provided on what should be in a good loan file and a good credit file. Participants will learn how to evaluate the soundness of the lending decision. Included in the seminar will be an on-site visit to a family farm to learn, first-hand, the problems of the farmer and how these problems can have an impact on the lending decision. Many of the principles discussed in this seminar will be valuable to the examiner who needs information on commercial lending decisions.

Seminar Length: 3 days

Intended Audience: Examiners with one or more years of experience

Seminar 202: *Asset-Liability Management Seminar**

The purpose of this seminar is to provide the examiner with an introduction to the concepts of asset-liability management (ALM) and GAP Management. The examiner will learn how to review the individual components of an ALM policy, be alerted to “Red Flags” that might be observed during an examination, obtain information on evaluating computer models, and be provided with hands-on experience in using an ALM model. Examiners will be required to use their computers for this program. This seminar is conducted for NCUA by an outside source with extensive experience in teaching ALM.

Seminar Length: 5 days

Intended Audience: Examiners with one or more years of experience

Seminar 203: *Introduction to Commercial Lending Seminar*

The purpose of this seminar is to provide the examiner with an understanding of the analytical tools and the philosophy of commercial lending. Topics discussed include types of commercial loans and their characteristics, financial statement analysis, cash flow projections, introduction to problem loan management, risk-based pricing and approaches to examining the commercial loan portfolio. Case studies are utilized throughout the seminar to supplement the lectures. This seminar is conducted for the NCUA by an outside source with extensive experience in teaching commercial lending.

Seminar Length: 5 days

Intended Audience: Examiners with one or more years of experience

*CORE course

Seminar 204:
***Introduction to
Residential Mortgage
Lending Seminar****

The purpose of this seminar is to provide the examiner with the ability to analyze and evaluate real estate programs in credit unions. The seminar will provide information on credit union mortgage lending regulations and programs, mortgage lending products, the underwriting decision, the secondary mortgage market, appraisals, delinquency problems, credit reports, home equity credit lines, collection programs and dealing with consumer compliance issues. This is an introductory-level seminar. Some of the material presented will be basic, and therefore, serve as a refresher for examiners with significant experience in real estate lending. This seminar is conducted for NCUA by an outside source with extensive experience in teaching residential mortgage lending.

Seminar Length: 5 days
Intended Audience: Examiners with one or more years of experience

Seminar 205:
***Advanced Real Estate
Lending Seminar****

The purpose of this seminar is to build on the material presented in the *Introduction to Commercial Lending* and *Introduction to Residential Mortgage Lending* seminars. The seminar will provide the examiner with detailed information on the secondary mortgage market and marketing real estate loans. The seminar will also include information on complex commercial lending decisions, problems in the cash flow cycle, lender liability, and the management of problem loans. Examiners will gain a full understanding of how to evaluate large, complex real estate and commercial lending departments. This seminar is conducted for NCUA by an outside source with extensive experience in teaching advanced real estate lending.

Seminar Length: 5 days
Intended Audience: Senior examiners that perform examinations of credit unions with large, complex residential mortgage lending and commercial loan departments. Participants should have attended Seminar 203: *Introduction to Commercial Lending* and Seminar 204: *Introduction to Residential Mortgage Lending* before attending this program.

*CORE course

Seminar 206:
***Consumer Compliance
Regulation Seminar****

The purpose of this seminar is to provide the examiner with a review of procedures and techniques that can be used to verify the accuracy of credit union records, deal with record-keeping problems, and detect fraud, as well as offer some hints on quick methods to spot problems. There will be a detailed discussion on how to review and analyze a credit union audit, how to work with CPAs, examining in an EDP environment, the importance and value of offsite data storage, and a detailed review of the CUMIS Bond. Some of the material presented will be basic, and therefore, serve as a refresher for examiners with significant experience. The seminar is taught by a combination of NCUA staff and outside subject matter experts.

Seminar Length: 4 days

Intended Audience: Examiners with one or more years of experience

Seminar 207:
***Auditing Principles and
Fraud Detection
Seminar****

The purpose of this seminar is to provide up-to-date information on the various types of investments, both legal and illegal, in credit unions. The positive and negative aspects of various investment opportunities will be reviewed. Also, time will be allotted to reviewing examination procedures and accounting issues involving investments and how to make an overall evaluation of an investment portfolio. This seminar is taught by a combination of NCUA staff and outside subject matter experts.

Seminar Length: 3 days

Intended Audience: Examiners with one or more years of experience

Seminar 208:
Investment Seminar*

The purpose of this seminar is to provide a forum to discuss the problems associated with dealing with complex problem cases, special actions, and workout plans. Emphasis will be placed on developing innovative solutions to problems. Complex special-actions case studies will be utilized. Participants will be expected to actively participate in the sharing of experiences and knowledge in this forum.

Seminar Length: 4-days

Intended Audience: Senior examiners with experience in dealing with problem-case situations

*CORE course

Seminar 209:
Problem Resolution
Seminar*

The purpose of this seminar is to provide examiners with a working knowledge of the history, purpose, requirements and NCUA's enforcement policies on a wide array of consumer regulations. The seminar will include information on Regulation Z, Regulation B, Regulation CC, and Residential Mortgage Regulations. This seminar is conducted for NCUA by an outside source with extensive experience in teaching consumer compliance training.

Seminar Length: 5 days
Intended Audience: Examiners with limited knowledge of the purpose and requirements of consumer compliance regulations. Participants must have completed NCUA's computer-based Compliance Training Program.

Seminar 210:
OJT Trainer Workshop

The purpose of this seminar is to provide a first-time OJT trainer with information on NCUA's training philosophy and information on how to be a more effective trainer.

Seminar Length: 2 days
Intended Audience: Examiners that will be serving as first-time OJT trainers

Seminar 211:
Contemporary Critical
Issues

The purpose of this seminar is to provide state-of-the-art technical training to examiners that face NCUA and state supervisory authorities' most challenging credit union situations. The overall subject matter and topics of this seminar will be modified on an ongoing basis to assure that critical examination and credit union issues are being covered. It is envisioned that major revisions will be made to the seminar's agenda every two years and that examiners included in the target audience will use this seminar to assist them in keeping their technical skills current. The majority of the presenters in the seminar will be subject matter experts from industry, trade organizations, credit unions and other regulatory agencies. The agenda will include a limited number of key topics that will be explored in-depth.

Seminar Length: 5 days
Intended Audience: CU12 examiners that have attended, or received equivalency certification, for ALL CORE courses

Seminar 213:
Intermediate
Investments

The purpose of this seminar is to expand upon Seminar 208: *Basic Investments*. Advanced investment topics such as risk evaluation, implications if the yield curve on total return and portfolio analysis and management will be discussed.

Seminar Length: 4 days
Intended Audience: Examiners with three or more years of experience

*CORE course

Seminar 401
Introduction to
Supervision

The purpose of this seminar is to teach and practice effective supervisory skills required at NCUA. Exercises and case studies are taken from participants' actual work situations and include presentation of NCUA policy on topics such as supervisory responsibilities, leadership, delegation of duties, interviewing, discipline, discrimination prevention, performance rating, and effective communication. The Meyers-Briggs Type indicator will be administered by certified a MBTI instructor and results will be used throughout the program.

Seminar Length: 5 days

Intended Audience: Newly appointed NCUA supervisors (CORE course), who are responsible for directing and evaluating the work of others. This is an introductory course. May also be a refresher for supervisors with experience, but no formal training in the subject matter. The course is not intended for those who do not supervise others.

Seminar 501
Impact Communications

The purpose of this seminar is to provide practice and skills development in projecting self-confidence, audience analysis, gaining and holding audience attention, audience rapport, presentation organization and message delivery. Emphasis is placed on developing work-related presentations which produce effective results. Presentations include CEO briefing, Joint Conference briefing and Critical Case Briefing. Presentations are videotaped.

Seminar Length: 5 days

Intended Audience: Examiners in their second year on the job. Also appropriate for supervisors and other employees who are required to make presentations. Emphasis is placed on skills needed to conduct effective joint conference, CEO and Critical Case briefings.

Seminar 502
Effective Writing

The purpose of this seminar is to help participants produce well-organized and well-written examination reports and letter to credit union officials. The objectives of the course include document organization and planning; effective communication in simple, clear, professional language; and maintenance the focus of a report or correspondence.

Seminar Length: 3 days

Intended Audience: Examiners, supervisors and other employees who write or organize and edit others' writing. Emphasis is placed on the written examination report and letters to credit union and NCUA officials. Recommended for examiners as soon as appropriate during CORE training.

Seminar 503
Time and Stress Management

The purpose of this seminar of to provide instruction and practice in effective time and stress management skills that deal with the work and family demands of the '90s. Exercises and case studies are taken from participants actual work situations (e.g., working out of the home as an examiner). This course is scheduled to include a demonstration of "Schedule +" or related software which assist users in planning work.

Seminar Length: 3 days

Intended Audience: Examiners, supervisors and other employees. Recommended as soon as appropriate during CORE training.

OFFICE OF THE COMPTROLLER OF THE CURRENCY

Courses offered by the OCC are specific to its responsibilities as the regulatory agency for national banks. Courses are scheduled and conducted based on needs of OCC examiners.

Registration Procedures

Specific courses and number of sessions are determined in the fourth quarter of each preceding year based on examiner requests that have been approved through the OCC budget process. Courses may be added or canceled as OCC training needs and priorities change. Participants are notified in writing thirty-five days in advance of the school start date. Agencies may request slots for schools through the FFIEC budget process. OCC will notify agencies when their requests for training can be accommodated. Requesting agencies are responsible for notifying their employees.

Cancellation Policy

Agencies should notify the OCC of cancellations at least thirty-five days in advance.

Tuition

Tuition will be set annually and be the same as charged by the FFIEC for attendance at interagency courses.

Funding

OCC does not provide funding for participants from other agencies for OCC or FFIEC courses.

Lodging

OCC does not provide for or arrange lodging for non-OCC participants.

Contact

Requests for training will be evaluated on a case-by-case basis. Agencies interested in requesting training or obtaining further information should contact:

Ms. Karen M. Kwilosz
Manager for Training Operations
Training & Performance Development
Office of the Comptroller of the Currency
250 E Street, S.W.
Washington, D.C. 20219
Telephone: (202) 874-4570
FAX: (202) 874-5665

***Applied Communication
Techniques (ACT)***

This workshop focuses totally on communication techniques including presenting skills, preparing and conducting interviews with bank personnel, and writing skills.

Course Length: 4½ days
Intended Audience: Associate National Bank Examiners

***Bank Information
Systems (BIS)
Basic School***

This school focuses on examination of BIS/EDP systems at less complex banks that have turnkey systems, purchased packages, outside vendors or end-user departments. This introductory course focuses on fundamental BIS concepts and controls.

Course Length: 4½ days
Intended Audience: Examiners who will be performing BIS examinations in community banks

***Bank Information
Systems (BIS)
Supervision School***

This school focuses on examination of BIS/EDP systems in complex community banks, providing instruction on evaluating risks and developing strategies.

Course Length: 4½ days
Intended Audience: Examiners who will be performing BIS examinations in complex community banks, small independent data centers and small regional banks

***Bank Securities Dealer
Seminar (BSDS)***

This school focusses on examination of a bank's municipal securities dealer department for compliance with rules and regulations, and to detect potentially unsafe and unsound banking practices.

Course Length: 4½ days
Intended Audience: Examiners with three years' experience who have examined or anticipate examining a bank's securities dealer department

***Bank Supervision
School (BSS)***

This school focusses on performing off-site analysis case studies, and reviewing areas such as earnings and capital analysis, enforcement proceedings, executive management appraisal, investment portfolio appraisal, analysis of liquidity/funding, operational controls (BIS), analysis of trust operations, and analysis and discussion of a commercial loan deck.

Course Length: 9½ days
Intended Audience: Examiners with some exposure to all major areas of the supervisory process

***Consumer Compliance
(Basic) School***

This school focusses consumer compliance examination techniques and procedures, including bank examination simulation exercises.

Course Length: 9½ days

Intended Audience: Associate National Bank Examiners who have participated in at least two consumer compliance examinations

Prerequisite: Completion of the *Basic Consumer Compliance Self-Study* course with six computer-based (Phoenix) courses

Credit School

This school focuses on credit topics such as a company's billing cycle, how the cycle drives borrowing needs, loan structure and documentation, and the regulatory loan process from the examiner's point of view. Simulation exercises allow the opportunity to apply skills learned.

Course Length: 9½ days

Intended Audience: Examiners with some experience working credits, and who are scheduled to work in this area soon after attending this course

Prerequisite: Participants must complete approximately 80 hours of self-study work prior to attending

***Evaluating Bank
Management***

This school focuses on risk assessment, the role of the board, responsibilities of management, strategic planning and decision making, policy making, personnel administration, automated and other control systems, insider abuses, speciality areas, assigning management ratings, and communication and documentation of results.

Course Length: 4½ days

Intended Audience: Associate National Bank Examiners assigned to evaluate management and the board of directors in community banks

OFFICE OF THRIFT SUPERVISION

Registration Procedures

The Training and Development (T& D) calendar is derived from the OTS system demand. The process begins in May of each year with the distribution of a "Survey of Training Needs" to the OTS regions. From regional projections and T&D analysis, T&D develops a course budget and calendar that accommodate the expected demand by September 16, which signals the beginning of registration for specific courses. When the calendar is published, enrollments begin and slots can be reserved. Enrollments are accepted by phone, E-mail, or memo.

Cancellation Policy

Enrollment substitutions are accepted at any time prior to the beginning of a course. Cancellations are accepted without a penalty if they are made at least 35 working days prior to the starting day of the course. Cancellation of enrollments made less than 35 working days prior to a seminar, with no replacement, are charged with a cancellation. "No-show" (i.e., no previous notification to T & D) enrollments are recorded and charged against that agency or region.

Tuition

Costs for T & D training programs range from \$220 to \$1,300 depending on the length of the course.

Lodging

Approximately five weeks prior to the starting date, pre-course materials are sent to the scheduled participants with a memo outlining course logistics. T&D arranges hotel accommodations for all participants.

Contact

For further information, please contact:

Ms. Karen Willis, Program Coordinator
Training and Development
Office of Thrift Supervision
122 West Carpenter Freeway, Lockbox 18
Irving, Texas 75039
Telephone: 214/281-2271
FAX: 214/281-2292

***Accelerated New Thrift
Regulator School***

Participants will concentrate on financial analysis including reviews of operating results, risk-management and capital. ANTRS includes modules on various supervisory and examination tools. ANTRS also covers credit analysis, with reviews of asset classification and loan-related regulations and documentation, and other examination areas.

Pre-course work: None
Course Length: 1 week
Intended Audience: Generally 6-9 months' experience
FTR designated course or non-FTR
staff

***Advanced Examiner
Topics***

Participants will receive a financial focus for emerging issues applicable to the thrift industry. The seminar will cover topics applicable to investments, interest rate risk management, dividend policy, capital management and executive compensation. The topics are illustrated by short case studies of actual institutions and instruments.

Pre-course work: 0-4 hours
Course Length: Selected ½-day modules or a 2-day
course
Intended Audience: Senior level examiners

Advanced Management

Participants will learn how to define values and vision in turbulent times, how to deal with conflicting interest and values, and how to build the Vision. Furthermore, the participants will cover the elements of effective leadership, and learn how to develop meaningful and workable performance appraisals.

Pre-course work: 2 hours
Course Length: 3 days
Intended Audience: Experienced managers who have
attended *Management Workshop* or its
equivalent. Post FTR

***Affordable Housing
Seminar***

Participants will learn how to evaluate a thrift's affordable housing lending program from an asset classification and safety and soundness standpoint. The role of the thrift industry in helping to provide affordable housing and the elements of successful projects will be discussed. Actual case studies will be used extensively.

Pre-course work: 8 hours
Course Length: 4 days
Intended Audience: Post FTR

***Asset Liability
Management I***

Participants will develop an understanding of the concepts and techniques of planning, directing, and controlling the flow, level, mix yield, cost, and duration of funds for savings institutions. In addition, participants will develop a better understanding of performance and risk concepts for thrift institutions. Participants will learn methods of analyzing interest rate risk, the use of computer simulation in developing IRR strategies and the role MVPE plays in interest rate risk analysis.

Pre-course work: 4 hours
Course Length: 1 week
Intended Audience: Generally 18–36 months' experience.
FTR designated course

***Asset Liability
Management II***

Participants will learn to use more advanced principles and concepts of asset/liability management through simulation and development of financial plans for thrift institutions. The planning model will help the participant develop strategies for the optimal income producing portfolios and understand how thrift institutions plan, direct, and control the flow, level, mix, yield, cost, and duration of funds. The use of MVPE analysis is also discussed.

Pre-course work: 4–6 hours
Course Length: 1 week
Intended Audience: Post FTR

Capital Markets

Participants will learn to evaluate the inherent risks and rewards associated with mortgage products, capital market instruments, and advanced hedging strategies such as the use of interest rate swaps.

Pre-course work: 8 hours
Course Length: 1 week
Intended Audience: Generally over 48 months' experience.
Post FTR

Compliance School I

Participants will address examination procedures and other regulatory concerns for each of the topics in the OTS Compliance Handbook. Major emphasis is on the areas of CRA, non-discrimination, truth-in-lending, and the Bank Secrecy Act.

Pre-course work: 40 hours (of required self-study)
Course Length: 2 weeks
Intended Audience: FCR candidates with at least 1 month of on-the-job training and examiners recently designated as Compliance Specialists

Compliance School II

Participants will cover advanced compliance topics, such as recognizing subtle forms of discrimination, detecting money laundering, and reviewing complicated truth-in-lending disclosures. Participants learn how to rate a thrift's CRA and compliance performance, manage a compliance examination, and prepare a report of examination.

Pre-course work: 6 hours
Course Length: 1 week
Intended Audience: FCR candidates who have taken Compliance School I or its equivalent

Holding Company School

Participants will be shown and should develop the analytical skills necessary to assess a holding company's impact on its insured subsidiary. The course will begin with 1 to 2 days' review of the examination program presented in the Regulatory Handbook. The following 2 to 3 days will consist of major case study sessions where students will work in small groups to analyze and examine a holding company. Participants will work together to make recommendations and decisions.

Pre-course work: 8 hours
Course Length: 1 week
Intended Audience: 12–24 months' experience. Post FTR

Intermediate Compliance Regulator School

Participants will enhance their ability to properly evaluate information, administer work and the flow of information to conclude findings for an examination of a medium-sized, moderate-problem institution. The participants will determine the importance of each compliance factor and effectively communicate the findings and recommendations to OTS and the institution's management, in a mock board of directors meeting.

Pre-course work: 8 hours
Course Length: 1 week
Intended Audience: 24–42 months' experience FCR designated course

Intermediate Information Systems Regulator School

Participants will be able to perform the activities in conformance with the Federal Financial Institutions Examination Council's Electronic Data Processing Examination Handbook. They will rate the institution's performance in the categories of Management, Auditing, Systems and Programming and Operations. Evaluate the EDP examination findings and determine the overall EDP rating. Orally present findings in a mock board of directors meeting.

Pre-course work: None
Course Length: 1 week
Intended Audience: 24–42 months' experience. FTR designated course

***Intermediate Thrift
Regulator School***

Participants will further their ability to properly administer work and information flow and evaluate all findings for examination of a medium-sized, moderate-problem institution. The participants will determine the importance of each MACRO factor relative to the overall rating and condition of the institution and effectively communicate the findings and recommendations to OTS and the institution's management, in a mock board of directors meeting.

Pre-course work: 8 hours
Course Length: 1 week
Intended Audience: 24–42 months' experience.
FTR designated course

Management I

Participants will identify the underlying principles of good management and leadership. This course will discuss and clarify diversity and EEO issues and assist in learning to apply the Situational Leadership model.

Pre-course work: none
Course Length: 2 - 3 days
Intended Audience: Supervisors and managers

Management Development: Coaching

Participants will enhance their leadership and performance management skills through mini-lectures, exercises, structured practice, and discussion. This course will assist you in building the necessary skills to motivate effectively, diagnose performance problems, gain commitment, deal with anger, prevent resistance, involve employees, give recognition, set clear follow up, and communicate clearly.

Pre-course work: none
Course Length: 3 days (The seminar will be taught by certified T&D or regional staff. It can be taught in 5 half-day segments over several weeks.)
Intended Audience: Supervisors and managers (generally FTRs) who have attended Management Workshop or a basic management training course

Mortgage Banking

Participants will receive a basic understanding of the mortgage banking business, key elements of risk management in mortgage banking operations, and primary financial factors in mortgage banking. Participants will be able to identify the fundamental conflicts between mortgage banking and portfolio lending strategies, differences in risk exposure, and the results of failure to segregate the two approaches to mortgage lending. Accounting issues related to mortgage banking are also addressed, including balance-sheet presentation, loan sales, accounting for purchased and excess servicing, and loan origination fees. A hands-on instruction and use of the OTS Servicing Valuation Model will be covered for participants.

Pre-course work: 2 hours
Course Length: 4 days
Intended Audience: Post FTR

Negotiation I

Participants will increase their understanding of the dynamics of the negotiation process and increase skills in planning and executing negotiation strategies in a variety of professional settings.

Pre-course work: 2 hours
Course Length: 3 days
Intended Audience: Less than 24 months' experience.
Usually post FTR

Negotiation II

Real Estate Appraisal I

Participants will learn to refine integrative (win-win) negotiation skills taught in Negotiation I and develop "empowerment" skills to gain allies for proposals, to secure resources, and to build agreements.

Pre-course work: 4 hours
Course Length: 2½ days
Intended Audience: Less than 48 months' experience.
Usually post FTR

Real Estate Appraisal II

Participants will become acquainted with the fundamental principles, techniques, and procedures in the examination of an appraisal report. The course is designed to provide the participant with the necessary understanding of appraisal regulations and the three approaches to value. Major emphasis is on review and evaluation of final value conclusions.

Pre-course work: 8 hours
Course Length: 1 week
Intended Audience: Generally 9-16 months' experience
FTR designated course

Regulatory Writing

Participants evaluate income property appraisals. The participant will focus on applying advanced appraisal and capitalization theory concepts to complex real estate properties.

Pre-course work: 8 hours
Course Length: 2 weeks
Intended Audience: Post FTR

Participants will learn to refine writing and editing skills in the regulatory environment. Specific areas of concentration will be principles of effective communication; analysis of communication problems; style, grammar, tone, planning, and layout; and management functions related to writing.

Pre-course work: 1 hour
Course Length: 3 days
Intended Audience: Pre or post FTR

***Risk Management
School***

Participants will acquaint themselves with the primary types of risk which savings associations take, measuring those risks, and understanding and evaluating management decisions on controlling these risks while still earning an adequate return.

Pre-course work: 8 hours
Course Length: 1 week
Intended Audience: Generally 18-36 months' experience
FTR designated course

***Self-guided Study in
Written Communication***

Participants are assigned writing analysts who will, on a one-on-one basis, provide feedback and reinforcement on writing assignments. The exchange of writing samples and evaluations will take place individually between participants and writing analysts. The course objective is to teach precision writing through planning and organization of data and the selection of language that creates attention, interest and tone resulting in favorable reader reactions.

Pre-course work: none
Course Length: Six writing assignments over a 16 week period of time
Intended Audience: Personnel who wish to improve their writing skills

Robert Morris Associates Courses

OTS is participating in the MENTOR program of the Robert Morris Associates. Robert Morris Associates is one of the premier providers of training to commercial loan and credit officers. The MENTOR program affords OTS the opportunity to instruct most RMA courses at regional sites (UCA is an exception).

Analyzing Personal Financial Statements and Tax Returns

The objective of this course is to use tax returns and personal financial statements to predict a customer's ability to repay a loan through his or her cash flow and to determine the value of the customer's net assets in the event of liquidation. After completing this course, participants will know how to use personal financial statements to evaluate the resources available to pay loans; estimate and analyze cash flow from financial statements and personal tax returns; obtain a better understanding of tax fundamentals, including how taxes influence cash flow and the customer's operations.

Cash Flow Analysis

This course is designed to provide participants with the fundamentals of cash flow calculations while increasing their understanding of profitability, liquidity and leverage. *Cash Flow Analysis* builds on the participant's foundation in traditional financial statement analysis. This introductory course provides additional tools for effectively evaluating the financial strengths of a company and its ability to repay a loan. This six-module course covers the financial statement analysis review, cash flow construction, cash flow analysis, projection techniques, sensitivity analysis and a loan committee presentation.

Corporate Finance for Lenders

The four-day seminar with evening group assignments is designed to introduce commercial lenders first to fundamental and then intermediate corporate finance. It then relates each corporate finance topic to credit-granting in complex cases. It enables experienced regulators to understand when corporate financing needs go beyond traditional commercial lending transactions.

The *Corporate Finance for Lenders* course teaches such commercial lending concepts as company valuation, alternative financing, swaps, capital budgeting, debt burden, mergers, and acquisitions. A technically advanced course, it focuses on teaching the participants all aspects of corporate finance as they pertain to credit quality and lending.

***Commercial Loan
Documentation***

This course is designed as an introduction to the following aspects of documentation: authority, the forms themselves, third parties, legal evidence of the loan, commitments, secured lending including all UCC aspects, and loan agreements. The course also encompasses lender liability and general business law. The case-study format ensures active involvement by participants.

***Loan Structuring for
Commercial Lenders***

The underlying theme of this course is that cash flow repays loans. After completing this course, participants will be able to structure a loan that preserves the cash flow for repayment of the debt. Topics include the importance of capital structure; seasonal loans: analysis and structuring; permanent working capital loans: analysis and structuring; term loans: financing long-term assets with long-term debt; working capital and term loans: transaction structuring; and bridge and term loans: loan restructuring.

Uniform Credit Analysis

Upon completion of this four or five day course with evening group assignment, the lender/analyst will be able to construct a historical cash flow statement from financial data. They will be able to use the cash flow statement to complement traditional ratio analysis in assessing credit worthiness; asset management and the competitive environment in which the firm operates; structure a credit facility which best meets with the borrower's financing needs and which reflects projected repayment capabilities and the bank's credit policy. The participants will format and effectively present results and recommendations from the analysis of cash flow and assessment of the firm's management structure.

The course is instructed to employ:

1. Manual spreading at the beginning of the course which teaches a "process."
2. Management analysis and borrower's leadership styles.
3. Case studies in teaching.
4. Role plays (presentations to a mock loan committee).

Multimedia Training

Robert Morris Associates Multimedia Continuing Education Series

Cash Flow Analysis

This course will help learners understand:

- Why a cash flow statement is a critical part of credit analysis
- How a cash flow statement is constructed
- Why a cash flow statement is essential to determining a borrower's ability to repay a loan
- How to analyze present and historical cash flows to project future ones
- How to relate cash flow to long-term repayment ability

Prerequisites: A thorough knowledge of financial accounting and traditional financial statement analysis.

Loan Structuring

This course shows learners how to:

- Identify, analyze, and structure loans using techniques that minimize the institution's risk
- Structure effective loan covenants
- Identify the common types of risks associated with seasonal, permanent working capital, term, and bridge loans
- Choose the loan structure that properly matches the customer's needs
- Determine the impact of various business circumstances on a customer's ability to repay a loan

Prerequisites: A thorough knowledge of financial accounting, traditional financial statement analysis, and cash flow analysis.

Management Topics

Participant will progress at their own speed with CD-ROM. The participant will develop the leadership skills you need to succeed in today's challenging, diverse workplace. It is a realistic simulation which puts you in charge as you evaluate successors.

Pre-course work: none
Course Length: Self-paced
Intended Audience: Anyone in a leadership role

Time Management

Participant will see how to make the most of their valuable time. You will learn how to manage the countless distractions and interruptions that eat away at your day by combining common sense with a few simple but proven time-saving techniques. A realistic, interactive simulation gives you an opportunity to put your new-found time management strategies to the test.

Pre-course work: none
Course Length: Self-paced
Intended Audience: Anyone